GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:435
ANSWERED ON:22.08.2003
FUNCTIONING OF SEZS
AVSM, BRIG.(RETD.) KAMAKHYA PRASAD SINGH DEO;PARSURAM MAJHI

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of proposals for setting up Special Economic Zones in respect of which approval has been given by the Union Government on the basis of proposals received from different State Governments/promoters, State-wise and location-wise;

(b) the date on which approval has been given to each proposal, State-wise;

(c) the reasons for non-functioning of Special Economic Zones particularly at Paradeep and Gopalpur in Orissa;

(d) the date by which these Special Economic Zones are likely to become functional; and

(e) the details of steps being taken to expedite the functioning of these Special Economic Zones at the earliest?

Answer

MINISTER FOR COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY)

(a) to (e) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTIONS NO.435 ANSWER ON 22ND AUGUST, 2003, REGARDING FUNCTIONING OF SEZs

(a) and (b): Details of approval given for setting of Special Economic Zones on the basis of proposals received from different State Governments/promoters, State-wise and location-wise are indicated below:

Sl.No	Location	Name of the promoter	Date of Approval
1.	Positra (Gujarat)	Gujarat Positra Port Infrastructure Ltd.	3.7.2000 (In principle) 15.2.2002 (Formal Approval)
2.	Indore (Madhya Pradesh)	Madhya Pradesh State Industrial Development Corporation Ltd	2.1.2002 (In principle) 27.11.2002 (Formal Approval)
3.	Navi- Mumbai (Maharashtra)	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)	5.5.2000 (In principle) 15.2.2002 (Formal Approval)
4.	Nangunery (Tamil Nadu)	Govt. of Tamil Nadu	28.9.2000 (In principle)
5.	Visakhapatnam (Andhra Pradesh)	Govt. of Andhra Pradesh	26.9.2000 (In principle)
6.	Gopalpur (Orissa)	Govt of Orissa	19.3.2001 (In principle)
7	Hassan (Karnataka)	Govt of Karnataka	18.6.2001 (In principle) 8.8.2003 (Formal approval)
8.	Kulpi (West Bengal)	Govt of West Bengal	23.5.2000 (In principle)
9.	Salt Lake (Kolkata)	Government of West Bengal	7.11.2001 (In principle) 13.8.2003 (Formal approval)

10.	Bhadohi (Uttar Pradesh)	Govt of Uttar Pradesh	19.9.2000 (In principle)
11.	Kanpur (Uttar Pradesh)	Govt of Uttar Pradesh	2.1.2002 (In principle)
12.	Greater Noida (u.P)	Govt of Uttar Pradesh	19.6.2001 (In principle)
13.	Moradabad (U.P)	U.P State Industrial Development Corporation Ltd.	27.11.2002 (In principle) 27.6.2003 (Formal Approval)
14.	Paradeep (Orissa)	Govt of Orissa	2000 (In principle)
15.	Vallarpadam/ Puthuvypeen (Kerala)	Cochin Port Trust	27.11.2002 (In principle)
16.	Kakinada (Andhra Pradesh)	Kakinada Seaports Ltd	27.11.2002 (In-Principle)
17.	Khopta(Maha Mumbai-Maharashtra)	Gujarat Positra Port Infrastructure Ltd	27.11.2002 (In-principle) 8.8.2003 (Formal approval)
18.	Sitapur (Rajasthan)	Rajasthan State Industrial Development Corporation	17.3.2003 (In- principle) 21.5.2003 (Formal approval)
19.	Jodhpur (Rajasthan)	Rajasthan State Industrial Development Corporation	22.5.2003 (In-Principle) 22.7.2003 (Formal approval)
20.	Dahej (Gujarat)	Gujarat Infrastructure Development Corporation	8.8.2003 (In-Principle)
21.	Baikampady (Karnataka)	Kanara Chamber of Commerce & Industry	8.8.2003 (In-Principle

(c) to (e): The greenfield SEZs are being set up largely in the private sector in association with the StateGovernments and are in the nature of large infrastructure projects with long gestation period. Of the 21 SEZs approved for establishment, SEZs at Indore (Madhya Pradesh), Salt Lake, Kolkata (West Bengal) and Jaipur (Rajasthan) are now ready for operation. As regards Gopalpur, Government of Orissa is the main promoter and facilitator of the SEZ through its nodal agency, OrissaIndustrial Infrastructure Development Corporation (IDCO).M/s Tata Iron & Steel Company Limited (TISCO) have shown interest in the SEZ venture as a joint venture partner. Selection of strategic developer/marketing of SEZ is expected to start by the end of October, 2003 after the SPV is formed. As regards Paradeep, the State Government is considering the possibility of re-locating the SEZ at Duburi, which is about 125 km from Paradeep Port for which adequate acquired land is available.

Since the SEZs have been approved for establishment in the private/joint sector/by the State Governments, it is not possible to indicate a time frame by which the approved Special Economic Zones are likely to become functional. However, periodic meetings are held by the Department of Commerce with the State Governments/promoters of SEZs to expedite the projects. Some of the recent steps taken to promote SEZs include duty free import/domestic procurement of goods for development, operation and maintenance of SEZs and units therein, external commercial borrowing without any maturity restriction through recognized banking channels, facility to set up Off-shore Banking Units in SEZs, exemption from service tax to SEZ developer and units, exemption from Central Sales Tax on sales made from Domestic Tariff Area to SEZs, income-tax exemption for 10 years in the first 15 years to the developers of SEZs, income-tax holiday for 5 years, 50% tax exemption for 2 years and 50% re-investments out of profits earned for three years to SEZ units and exemption from minimum area requirement of 1000 hectares for port/airport based SEZs.